

Opening Statement of Senator Brown
“Oversight of the Export-Import Bank of the United States”
June 23, 2020

Mr. Chairman, thank you for calling today’s hearing. President Reed, thank you for joining us. This is a critical time for EXIM.

Last year we finally provided certainty to American exporters and their workers by enacting a 7-year extension of the EXIM charter. This is a big victory after years of obstruction by some of my Republican colleagues.

We all know what happened here in Congress. In 2015, during the last debate on reauthorizing the Bank, a small group of opponents, supported by far-right special interests, tried to kill the Bank altogether.

When that didn’t work, they decided to block all nominees to the Bank’s board denying it the quorum needed to approve transactions greater than \$10 million dollars. EXIM supported more than 164,000 jobs before the shut it down, and EXIM was an essential tool for creating manufacturing jobs with good salaries. Their obstruction cost us more than 130,000 jobs a year by 2018.

Today, as the economic damage from COVID-19 builds and Mitch McConnell refuses to let us do our jobs and pass additional help for families and communities and small businesses, EXIM will be called on to help ensure the survival of our manufacturing base, and its thousands of small businesses and their workers.

EXIM during the last crisis added 515 new, small-business clients in 2009 alone, the stakes are even higher today.

There are more than 100 export credit agencies and credit programs around the world that support foreign manufacturers, but the greatest challenge is China.

China's export finance activity is larger than all of the export credit provided by the G7 countries combined, and we can expect China to continue using export credit as weapon to win manufacturing business in critical industrial sectors.

The President and many of my Republican colleagues want to blame China for everything, including the virus that has taken the lives of nearly 120,000 of our brothers and sisters and parents and sons and daughters – that's 30 percent of the world's deaths. China has not been a model of responsibility, but President Trump needs to stop blaming China for his own failures to do more at home to prevent the spread of COVID-19.

For my Republican colleagues who profess concern about China, I wish they had shown the same concern with standing up to China during our four-year fight to support American manufacturers.

And if you say you are concerned about China, then you should support filling EXIM's board so our manufacturers can better compete with China.

President Reed, I look forward to hearing how EXIM is working both to assist American companies during this crisis, and to help them respond to China's efforts to use export financing to gain market share. The Bank has an important role to play during this crisis.

Sadly, we must also discuss EXIM's response to a tragic incident in April at a power plant in India. The Sasan power plant received significant financing from the Bank, and it has a terrible safety record.

Finally, we must talk about the Senate's unfinished work. I urge members of this Committee to ask Leader McConnell to allow the Senate to consider the long-delayed nominations of Paul Shmotolokha and Claudia Slacik.

If we believe EXIM should be helping U.S. small businesses during these difficult economic times, and helping manufacturers compete against state-backed Chinese companies, there is no excuse for delaying the confirmation of Shmotolokha and Slacik. It needs a full Board of Directors.

A core role of EXIM board members is educating the business community about how to use the Bank's export financing to expand sales abroad and create more jobs in the U.S. Many small businesses are just trying to survive right now, and some of them don't know that EXIM is a tool that can help. We need a full board that can be proactive about offering support.

Mr. Shmotolokha, the Republican nominee as First Vice President, was reported out of the Banking Committee more than a year ago, and Ms. Slacik was first nominated nearly four years ago. Neither is controversial.

Mr. Shmotolokha has deep experience in the telecom industry and decades of experience in international business. Ms. Slacik previously served at EXIM and has more than 30 years of commercial banking experience.

I think EXIM has an effective management team. Thank you for that Ms. Reed – but you should be able to operate at full capacity during an unprecedented crisis, not missing two members with critical expertise.

We have two nominees who can provide important expertise at a critical time when we must help American businesses compete against China. Yet somehow these non-controversial nominees are mysteriously blocked.

We also have a qualified Inspector General nominee, Peter Coniglio, who is waiting for confirmation.

Congress must take up these nominations immediately.

Thank you, Mr. Chairman.